

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>Illinois Power Agency</b>	<b>:</b>	
	<b>:</b>	
<b>Petition for Approval of its 2017</b>	<b>:</b>	<b>16-0453</b>
<b>Procurement Plan pursuant to Section</b>	<b>:</b>	
<b>16-111.5(d)(4) of the Public Utilities Act.</b>	<b>:</b>	

**RESPONSE OF THE  
BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
ON BEHALF OF THE  
ENERGY RESOURCES CENTER AT THE UNIVERSITY OF ILLINOIS AT CHICAGO  
TO THE OBJECTIONS OF THE  
STAFF OF THE ILLINOIS COMMERCE COMMISSION**

The Board of Trustees of the University of Illinois on behalf of the Energy Resources Center at the University of Illinois at Chicago (“ERC”), by and through its counsel, respectfully submits this response to certain objections of the Staff of the Illinois Commerce Commission (“Staff”) to the Illinois Power Agency’s (“IPA”) 2017 Electricity Procurement Plan (“2017 Plan”).<sup>1</sup> Specifically, ERC is responding to Staff’s recommendation that the 2017 Plan be modified to exclude ERC’s Low Income Multifamily Efficiency Program (“LIMEP”) from the Commonwealth Edison Company (“ComEd”) service territory. (See Staff Objections at 18-19).

**Background**

In response to the respective requests for proposals (“RFPs”) from Ameren Illinois Company (“AIC”) and ComEd, ERC proposed to implement an LIMEP in each electric utility’s service territory. Briefly, the LIMEP is designed to provide costs-effective energy

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<sup>1</sup> ERC is not responding to, and takes no position on, any other objections to the 2017 Plan filed by Staff or any other party. ERC, however, reserves the right to file a reply to any other parties’ responses to objections, in accordance with the procedural schedule.

efficiency retrofits to customers residing in federally assisted housing within Illinois. The LIMEP will expand on the Illinois Public Housing Authority's Efficient Living Energy Program by providing further electrical energy savings through the installation of linear fluorescent lighting, LED lights, control systems, and HVAC equipment, as well as low-flow water fixtures in all-electric buildings.

Both AIC and ComEd concluded that the LIMEP is appropriate and included it in their respective proposals to the IPA for the promotion and expansion of energy efficiency programs and measures. The IPA concurred with AIC and ComEd in this regard and included the LIMEP in its 2017 Plan for both utilities. In filing its objections to the 2017 Plan, however, Staff asserted that the LIMEP for ComEd is not cost-effective under the Utility Cost Test ("UCT") and should therefore be excluded from the 2017 Plan. ERC disagrees with this Staff recommendation.

### **Discussion**

Underlying Staff's recommendation to exclude the LIMEP from the portion of the 2017 Plan concerning ComEd is the following observation by the IPA in footnote 276 of the 2017 Plan, "ComEd also provided the results of the UCT test and 14 of the 16 proposed programs passed the UCT. As it has in prior years, the IPA considers that informational only and has not used the UCT test in its consideration of programs to include in this Plan." (2017 Plan at 127) Staff disagrees with the IPA's assessment in this regard and recommends that any program with a UCT value below 1.0 be ineligible for consideration. Staff contends that a UCT of less than 1.0 means the program would lead to an increase in the overall cost of electricity. ComEd calculated a UCT of 0.95 for the

LIMEP. On this basis, Staff recommends that the Commission direct the IPA to exclude the LIMEP from the ComEd portion of the 2017 Plan.

ERC challenges Staff's reliance on the UCT. As an initial matter, ERC points out that neither the AIC nor the ComEd RFP seeking energy efficiency programs identifies the UCT among the criteria against which proposed energy efficiency programs will be measured. Moreover, the test that the IPA uses to determine if a program is cost-effective is the Total Resource Cost ("TRC") test, which is designed to evaluate whether the total costs of energy in the utility service territory will decrease.<sup>2</sup> A TRC value over 1.0 indicates that the benefits exceed costs. The LIMEP has a calculated TRC value of 1.65, showing significant benefits. Notably, the TRC value for the LIMEP is higher than the TRC value calculated for eight of the 16 programs in the proposed ComEd energy efficiency offerings (2017 Plan at 128, Table 9-5: ComEd Energy Efficiency Offerings).

Additionally, ERC observes that all of the proposed AIC energy efficiency offerings rated a UCT value greater than 1.0, including an LIMEP offering identical to the one Staff finds objectionable. ERC notes that a value of 0.95 in the ComEd service territory is very close to 1.0, and when considered in conjunction with other benefits not captured by the UCT, does not justify excluding a program that will help low income households. ERC urges the Commission to consider the fact that by reducing low income energy bills, the LIMEP:

- makes energy more affordable for the participating low income households;

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<sup>2</sup> See Midwest Energy Efficiency Alliance website at <http://www.mwalliance.org/node/3032> for a comparison of different cost-benefit tests.

- reduces the number of households unable to afford monthly energy payments;
- can help to break the disconnection-reconnection cycle for many low income households;
- reduces arrearage collection expenses and uncollectible accounts;
- reduces or eliminates the need for energy assistance for many participating households; and
- enables households to participate in the Low Income Home Energy Assistance Program ("LIHEAP") that otherwise would not have received benefits.  
(Generally, funding for LIHEAP is insufficient for the need.)

Such benefits have an overall economic value to ratepayers that is not reflected in UCT results.

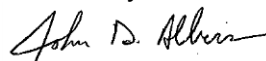
### **Conclusion**

For the foregoing reasons, ERC urges the Commission to reject Staff's recommendation and instead retain the LIMEP in the 2017 Plan as proposed by the IPA.

Dated: October 21, 2016

Respectfully submitted,

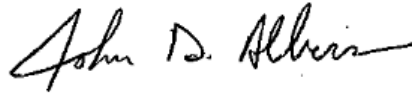
The Board of Trustees of the  
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## CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that he has caused the Response of the Board of Trustees of the University of Illinois on behalf of the Energy Resources Center at the University of Illinois at Chicago to the Objections of the Staff of the Illinois Commerce in Docket No. 16-0453 to be served on each of the following persons on the Service List by e-mail on October 21, 2016.



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